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AB BUILDERS GROUP LIMITED

奧邦建築集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01615)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “**Board**”) of AB Builders Group Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2025. This announcement complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcements of interim results.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is available on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company’s website (www.abbuildersgroup.com).

The Company’s 2025 interim report will be despatched to shareholders and published on the websites of the Company and The Stock Exchange of Hong Kong Limited in due course.

By order of the Board
AB Builders Group Limited
Lao Chio Seng
Chairman and Executive Director

Macau, 28 August 2025

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Lao Chio Seng, Ms. Lao Chao U, Mr. Roberto Gnanavelu, Mr. Cheang Iek Wai and Mr. Ip Kin Wa; and three independent non-executive directors, namely Mr. Chu Yat Pang Terry, Mr. O’Yang Wiley and Mr. Choy Wai Shek, Raymond, MH, JP.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2025	2024
	Notes	MOP'000 (unaudited)	MOP'000 (unaudited)
Revenue	3	170,834	58,923
Cost of sales		<u>(160,661)</u>	<u>(47,072)</u>
Gross profit		10,173	11,851
Other income	5	2,892	6,665
Other gains and losses		942	(1,000)
Impairment losses under expected credit loss model, net of reversal	14	740	(1,243)
Administrative expenses		(13,513)	(13,456)
Finance costs		<u>(396)</u>	<u>(397)</u>
Profit before taxation		838	2,420
Income tax (expense) credit	6	<u>(362)</u>	<u>62</u>
Profit for the period	7	476	2,482
Other comprehensive income (expense) for the period			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>236</u>	<u>(382)</u>
Total comprehensive income for the period		<u>712</u>	<u>2,100</u>
Profit (loss) for the period attributable to:			
Owners of the Company		314	3,827
Non-controlling interests		<u>162</u>	<u>(1,345)</u>
		<u>476</u>	<u>2,482</u>
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		550	3,445
Non-controlling interests		<u>162</u>	<u>(1,345)</u>
		<u>712</u>	<u>2,100</u>
		MOP cents	MOP cents
Earnings per share	9		
– Basic		<u>0.05</u>	<u>0.64</u>
– Diluted		<u>0.05</u>	<u>0.64</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 <i>MOP'000</i> (unaudited)	As at 31 December 2024 <i>MOP'000</i> (audited)
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment	10	34,585	35,409
Right-of-use assets	10	1,388	1,766
Intangible assets		1,967	2,292
Goodwill	11	1,462	—
Financial assets at fair value through profit or loss ("FVTPL")		14,191	11,585
Other financial assets		32,330	31,968
		<u>85,923</u>	<u>83,020</u>
Current assets			
Trade and other receivables	12	72,195	44,842
Contract assets	13	19,025	62,066
Pledged bank deposits		72,343	72,151
Bank balances and cash		74,129	44,581
		<u>237,692</u>	<u>223,640</u>
Current liabilities			
Trade and other payables	15	115,106	91,042
Tax payable		1,437	978
Lease liabilities		793	770
Bank borrowings		10,051	17,855
		<u>127,387</u>	<u>110,645</u>
Net current assets		<u>110,305</u>	<u>112,995</u>
Total assets less current liabilities		<u>196,228</u>	<u>196,015</u>
Non-current liabilities			
Lease liabilities		707	1,109
Deferred tax liabilities		476	573
		<u>1,183</u>	<u>1,682</u>
Net assets		<u><u>195,045</u></u>	<u><u>194,333</u></u>

		As at 30 June 2025 <i>MOP'000</i> (unaudited)	As at 31 December 2024 <i>MOP'000</i> (audited)
	<i>Note</i>		
Capital and reserves			
Share capital	16	6,189	6,189
Reserves		<u>206,004</u>	<u>205,454</u>
Equity attributable to owners of the Company		212,193	211,643
Non-controlling interests		<u>(17,148)</u>	<u>(17,310)</u>
Total equity		<u>195,045</u>	<u>194,333</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1 GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands with limited liability on 23 February 2017 and its shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 September 2018.

The Company acts as investment holding company and its subsidiaries are principally engaged in provision of construction services and sales of construction materials. The Company and its subsidiaries are hereinafter collectively referred to as the “Group”.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

The presentation and functional currency of the Company is Macau Pataca (“**MOP**”).

2 ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/changes in accounting policies resulting from application of amendments to IFRS Accounting Standards, and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 21	<i>Lack of Exchangeability</i>
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The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New material accounting policy information

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash generating unit (or the group of cash-generating units) retained.

3 REVENUE

Revenue represents the aggregate of the amounts received and receivable for construction contracts of fitting-out works rendered for provision by the Group and sales of construction materials to customers.

An analysis of the Group's revenue from contracts with customers is as follow:

	Six months ended 30 June	
	2025	2024
	MOP'000	MOP'000
	(unaudited)	(unaudited)
Recognised over time		
Contract revenue from provision of fitting-out works	<u>167,117</u>	<u>58,923</u>
Recognised at a point in time		
Revenue from sales of construction materials	<u>3,717</u>	<u>—</u>
Total	<u>170,834</u>	<u>58,923</u>

Fitting-out works represent performance obligations that the Group satisfies over time for each respective contract. The period of fitting-out works varies from 1 to 2 years (six months ended 30 June 2024: from 1 to 2 years).

The Group's disaggregation of revenue from contracts with customers by geographical location is same as the geographical information of revenue from external customers as disclosed in note 4.

Transaction price allocated to the remaining performance obligations

The following table sets out the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	As at	As at
	30 June 2025	31 December 2024
	MOP'000	MOP'000
	(unaudited)	(audited)
Provision of fitting-out works	<u>114,280</u>	<u>90,998</u>

Based on the information available to the Group at the end of the reporting period, management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as of 30 June 2025 will be recognised as revenue during the years ending 31 December 2025 and 2026 in respect of provision of fitting-out works (31 December 2024: during the year ending 31 December 2025).

For sales of construction materials, the Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customer is not disclosed as the original expected duration of the contracts are less than one year.

4 SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the “**CODM**”), being the Chief Executive Officer of the Group, in order for the CODM to allocate resources and to assess performance.

Prior to 1 January 2025, there were three operating segments, namely (i) fitting-out works, (ii) structural works and (iii) air purification business.

From 1 January 2025, management has changed the presentation of the information reported to the CODM, and segment reporting is updated to conform to this change. The Group’s management is of the view that this change of segment disclosure better reflects the Group’s updated business strategies, the development phases of various businesses and the financial performance, and better aligns with the Group’s resource allocation.

The updated reportable segment of construction services now comprises the former fitting-out works and structural works operating segments. The Group’s management periodically reviews their developments, and dynamically adjust resource allocation and strategies.

Specifically, the Group’s only reportable segment under IFRS 8 “Operating Segments” is construction services.

Other operating segments include sales of construction materials and sale of air purification business/system, of which sales of air purification business/system was being reported as separate segment in prior years. None of these segments met the quantitative thresholds for the reportable segments in both current and prior periods. Accordingly, these were grouped in “Others”. Prior year segment disclosures have been re-presented to conform with the current period’s presentation.

The CODM makes decisions according to the operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

For the period ended 30 June 2025 (unaudited)

	Construction services <i>MOP'000</i> (unaudited)	Others <i>MOP'000</i> (unaudited)	Total <i>MOP'000</i> (unaudited)
Segment revenue — external	<u>167,117</u>	<u>3,717</u>	<u>170,834</u>
Segment results	<u>9,865</u>	<u>308</u>	10,173
Other income and other gains and losses			3,834
Impairment losses under expected credit loss model, net of reversal			740
Administrative expenses			(13,513)
Finance costs			<u>(396)</u>
Profit before taxation			<u>838</u>

For the period ended 30 June 2024 (unaudited)

	Construction services <i>MOP'000</i> (unaudited)	Others <i>MOP'000</i> (unaudited)	Total <i>MOP'000</i> (unaudited)
Segment revenue — external	<u>58,923</u>	<u>—</u>	<u>58,923</u>
Segment results	<u>12,061</u>	<u>(210)</u>	11,851
Other income and other gains and losses			5,665
Impairment losses under expected credit loss model, net of reversal			(1,243)
Administrative expenses			(13,456)
Finance costs			<u>(397)</u>
Profit before taxation			<u>2,420</u>

Segment results represent the profit before taxation resulted from each segment without allocation of other income and other gains and losses, impairment losses under expected credit loss model (net of reversal), administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operation. Information about the Group's non-current assets (excluding financial assets at FVTPL and other financial assets) is presented based on the geographical location of those assets.

	Revenue from external customers		Non-current assets	
	Six months ended 30 June		At 30 June	At 31 December
	2025	2024	2025	2024
	MOP'000	MOP'000	MOP'000	MOP'000
Macau	134,297	33,563	34,459	35,152
Hong Kong	36,537	25,360	2,914	2,477
The People's Republic of China (the "PRC")	—	—	2,029	1,838
	<u>170,834</u>	<u>58,923</u>	<u>39,402</u>	<u>39,467</u>

5 OTHER INCOME

	Six months ended 30 June	
	2025	2024
	MOP'000	MOP'000
	(unaudited)	(unaudited)
Bank interest income	2,564	3,973
Compensation income (Note)	—	2,271
Others	328	421
	<u>2,892</u>	<u>6,665</u>

Note: During the period ended 30 June 2024, the Group recognised compensation income of MOP2,271,000 (six months ended 30 June 2025: nil) from insurance claim in relation to a construction project.

6 INCOME TAX (EXPENSE) CREDIT

	Six months ended 30 June	
	2025	2024
	MOP'000	MOP'000
	(unaudited)	(unaudited)
Current tax		
Macau Complementary Tax	(459)	—
PRC Enterprise Income Tax	—	(36)
	<u>(459)</u>	<u>(36)</u>
Deferred tax credit	97	98
Income tax (expense) credit	<u>(362)</u>	<u>62</u>

7 PROFIT FOR THE PERIOD

Six months ended 30 June

2025	2024
MOP'000	MOP'000
(unaudited)	(unaudited)

Profit for the period has been arrived at after charging:

Contract costs of fitting-out works recognised as expense (<i>Note</i>)	<u>157,252</u>	<u>46,862</u>
Cost of inventories recognised as expense (including write-down of inventory of nil (six months ended 30 June 2024: MOP210,000))	—	210
Depreciation of property, plant and equipment	726	760
Depreciation of right-of-use assets	378	34
Amortisation of intangible assets	389	393
Expenses related to short-term leases	<u>166</u>	<u>750</u>

Note: Included in contract costs was a reversal of provision of onerous contracts of MOP405,000 (six months ended 30 June 2024: nil) recognised for provision of fitting-out works during the six months ended 30 June 2025.

8 DIVIDENDS

No dividend was paid, declared or proposed during both interim periods, nor has any dividend been proposed since the end of each reporting period.

9 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

Six months ended 30 June

2025	2024
MOP'000	MOP'000
(unaudited)	(unaudited)

Profit for the period attributable to the owners of the Company	<u>314</u>	<u>3,827</u>
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Six months ended 30 June

2025	2024
'000	'000

Weighted average number of ordinary shares for the purpose of basic earnings per share	600,000	600,000
Effect of dilutive potential ordinary shares:		
Share options	—	143
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>600,000</u>	<u>600,143</u>

The computation of diluted earnings per share does not assume the exercise of all (six months ended 30 June 2024: certain) Company's share options because the exercise price of those share options was higher than the average market price of shares for the six months ended 30 June 2025. Save as share options mentioned above, there were no other dilutive potential ordinary shares in existence during the six months ended 30 June 2025 and 2024.

10 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2024, the Group entered into a new lease agreement with lease term of 3 years. On date of lease commencement, the Group recognised right-of-use asset of MOP1,949,000 (six months ended 30 June 2025: nil) and lease liabilities of MOP1,949,000 (six months ended 30 June 2025: nil).

11 GOODWILL

MOP'000

COST

At 1 January 2024 (audited) and 31 December 2024 (audited)

Arising from acquisition of a subsidiary

—
1,462

At 30 June 2025 (unaudited)

1,462

CARRYING VALUES

At 30 June 2025 (unaudited)

1,462

At 31 December 2024 (audited)

—

12 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 MOP'000 (unaudited)	At 31 December 2024 MOP'000 (audited)
Trade receivables, net of loss allowance	55,332	25,103
Advances paid to subcontractors and suppliers	5,350	7,776
Consideration receivable	—	2,061
Other receivables, prepayment and deposits (<i>Note</i>)	11,513	9,902
Total trade and other receivables	72,195	44,842

Note: As at 30 June 2025, included in other receivables, prepayments and deposits, an amount of Renminbi (“RMB”) 1,493,000 (equivalent to approximately MOP1,684,000) (31 December 2024: RMB1,493,000 (equivalent to approximately MOP1,633,000)) is secured by an account receivable with principal amount of RMB38,687,000 (equivalent to approximately MOP43,631,000) (31 December 2024: RMB38,687,000 (equivalent to approximately MOP42,304,000)) held by the former shareholders of Jiangmen Jinying Construction and Engineering Company Limited (“Jinying”). The amount is interest free and repayable on demand.

Trade receivables represent amounts receivable for work certified in relation to provision of fitting-out works after deduction of retention money.

The Group generally allows a credit period for 30 days (31 December 2024: 30 days) to its customers. The following is an aged analysis of trade receivables, presented based on dates of work certified at the end of the reporting period, net of loss allowance.

	At 30 June 2025 MOP'000 (unaudited)	At 31 December 2024 MOP'000 (audited)
1 – 30 days	49,989	932
31 – 60 days	3,274	14,862
61 – 90 days	—	6,407
Over 90 days	2,069	2,902
	<u>55,332</u>	<u>25,103</u>

13 CONTRACT ASSETS

	At 30 June 2025 MOP'000 (unaudited)	At 31 December 2024 MOP'000 (audited)
Contract assets	<u>19,025</u>	<u>62,066</u>

As at 30 June 2025, contract assets include retention receivables held by customers for contract works amounting to MOP13,074,000 (31 December 2024: MOP13,467,000).

Retention receivables represent the money retained by the Group's customers to secure the due performance of the contracts. The customers normally withhold 10% of the certified amount payable to the Group as retention money, 50% of which is normally recoverable upon completion of respective project and the remaining 50% is recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 3 months to 2 years from the date of completion of respective projects. The amount is unsecured and interest-free.

14 IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended 30 June	
	2025	2024
	<i>MOP'000</i>	<i>MOP'000</i>
	(unaudited)	(unaudited)
Impairment loss recognised (reversed) on:		
Trade receivables	112	1,335
Other receivables	(2)	—
Contract assets	(847)	13
Other financial assets	(3)	(105)
	<hr/>	<hr/>
Total	(740)	1,243
	<hr/>	<hr/>

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

During the current interim period, the Group provided impairment allowance of MOP317,000 (six months ended 30 June 2024: MOP1,694,000), of which no provision (six months ended 30 June 2024: MOP54,000) has been made for credit-impaired debtors.

During the current interim period, the Group reversed impairment allowance of MOP1,057,000 (six months ended 30 June 2024: MOP451,000), of which a reversal of MOP96,000 (six months ended 30 June 2024: nil) has been made for credit-impaired debtors.

15 TRADE AND OTHER PAYABLES

Trade and other payables at the end of the reporting period comprise amounts outstanding for trade purposes and daily operating costs. The credit period on trade purchase is 7 to 60 days (31 December 2024: 7 to 60 days).

	At 30 June 2025 MOP'000 (unaudited)	At 31 December 2024 MOP'000 (audited)
Trade payables	45,450	26,117
Retention payables	31,796	25,443
Accrued contract costs	27,849	29,595
Provision of onerous contracts	1,088	1,493
Accruals and other payables	8,923	8,394
	<u>115,106</u>	<u>91,042</u>
Total trade and other payables	<u>115,106</u>	<u>91,042</u>

The following is an aged analysis of trade payables, presented based on the dates of work certified at the end of the reporting period:

	At 30 June 2025 MOP'000 (unaudited)	At 31 December 2024 MOP'000 (audited)
1 – 30 days	41,232	22,226
Over 60 days	4,218	3,891
	<u>45,450</u>	<u>26,117</u>

Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 3 months to 2 years from the completion date of the respective service contracts.

16 SHARE CAPITAL

	Number of shares '000	Share capital MOP'000
Ordinary shares of Hong Kong Dollars 0.01 each		
Authorised:		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>10,000,000</u>	<u>103,150</u>
Issued and fully paid:		
At 1 January 2024 (audited), 31 December 2024 (audited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	<u>600,000</u>	<u>6,189</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2025, the global economic environment remained challenging amid geopolitical tensions and economic uncertainty. However, Macau's economy showed signs of recovery with the gaming and tourism sectors demonstrating resilience. According to market data, Macau's Gross Gaming Revenue for the first half of 2025 increased by 4% year-on-year to Hong Kong Dollars (“HK\$”) 115.3 billion, while visitor arrivals reached 19.2 million, up 15% year-on-year, driven primarily by mainland Chinese visitors which grew by 19% year-on-year.

Despite the challenging macroeconomic environment, AB Builders Group Limited (the “**Company**”) together with its subsidiaries (the “**Group**”) achieved revenue growth during the six months ended 30 June 2025 (the “**Review Period**”). The Group recorded revenue of approximately MOP170.8 million, representing an increase of approximately MOP111.9 million or 190.0% compared to the corresponding period of 2024. This remarkable growth was primarily driven by the successful execution of fitting-out works projects and the expansion into construction materials trading.

The Group's core construction services segment continued to be the primary revenue driver, contributing MOP167.1 million or 97.8% of total revenue. During the Review Period, the Group was awarded 13 new fitting-out works projects. As at 30 June 2025, the Group had 21 on-going fitting out works projects (either in progress or yet to commence or substantially completed but pending finalisation or agreement of the final accounts).

A significant development during the period was the successful launch of our construction materials trading business, which contributed MOP3.7 million in revenue. This new business line represents our strategic diversification efforts and positions us to capitalise on the growing demand for quality construction materials in the Greater Bay Area market.

The Group's gross profit was approximately MOP10.2 million with a gross profit margin of 6.0%. While the margin was lower than the previous year's 20.1%, this was primarily due to the completion of certain lower-margin projects and variation orders.

The Group completed the acquisition of a Hong Kong-based company holding Securities and Futures Commission (SFC) Type 4 (advising on securities) and Type 9 (asset management) licenses. This acquisition, which was finalised during the period, marks our entry into the financial services sector and represents a significant milestone in our business diversification strategy.

Outlook and Prospects

Looking ahead, we remain cautiously optimistic about the Group's prospects, supported by several positive developments in the regional economy and our strategic business initiatives. The Macau economy continues to show signs of recovery with the increasing visitor arrivals. The major integrated resort operators in Macau continue to invest in property enhancements and new developments. For instance, those major integrated resort operators are progressing with their new phrases development targeting completion in the coming years. These ongoing and planned developments create a robust pipeline of potential construction and fitting-out opportunities for the Group. The gaming concessionaires'

commitment to significant non-gaming investments over the coming decade provides substantial opportunities for construction services providers as well.

The building materials trading business represents a growth opportunity. We plan to leverage our extensive network within the construction industry to expand this business line in the coming future. The vertical integration of materials supply with our construction services will create synergies and improve overall project margins. We are exploring partnerships with reputable suppliers to ensure competitive pricing and reliable supply chains.

Following the acquisition of the SFC-licensed company, we are actively developing our financial services capabilities. The Type 4 and Type 9 licenses enable us to provide securities advisory and asset management services, opening new revenue streams in Hong Kong's dynamic financial services market. We plan to establish strategic partnerships to grow this business segment. The financial services division will target both institutional and high-net-worth individual clients, leveraging our corporate relationships and market expertise.

To develop the Group for sustainable long-term growth, we will continue to evaluate strategic acquisition opportunities and partnerships that complement our existing capabilities and expand our market reach across Macau, Hong Kong, the Greater Bay Area and Asia Pacific Regions.

FINANCIAL REVIEW

Revenue

The table below sets forth a breakdown of the Group's revenue for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	<i>MOP'000</i>	<i>%</i>	<i>MOP'000</i>	<i>%</i>
Fitting-out works	167,117	97.8	58,923	100
Others	3,717	2.2	—	—
Total	<u>170,834</u>	<u>100</u>	<u>58,923</u>	<u>100</u>

During the Review Period, the Group's revenue increased by approximately MOP111.9 million or 190.0% as compared with the corresponding period of the last year. Such increase was mainly attributable to the increase in revenue generated from fitting out works projects of approximately MOP108.2 million or 183.6%. The increase was also attributed to the expansion of the sales of construction materials in Macau, amounting to an increase in revenue of approximately MOP3.7 million or 100% as compared with the corresponding period last year.

Gross profit and gross profit margin

The following table sets forth a breakdown of the Group's gross profit and gross profit margin by types of revenue for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June			
	2025		2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	<i>MOP'000</i>	<i>margin %</i>	<i>MOP'000</i>	<i>margin %</i>
Fitting-out works	9,865	5.9	12,061	20.5
Others	308	8.3	(210)	—
Total	<u>10,173</u>	<u>6.0</u>	<u>11,851</u>	<u>20.1</u>

During the Review Period, the Group's gross profit decreased by approximately MOP1.7 million when compared with the corresponding period of the last year.

The gross profit margin decreased by 14.1 percentage point from approximately 20.1% for the six months ended 30 June 2024 to 6.0% for the six months ended 30 June 2025. The decrease was mainly due to the recognition of workdone fitting-out works projects amounted to a decrease of approximately MOP2.2 million or 14.6%. The negative effect was slightly offset by the gross profit of the sales of construction materials in Macau of approximately MOP0.3 million as compared with the corresponding period last year.

Other income

For the six months ended 30 June 2025, the other income of approximately MOP2.9 million mainly consisted of the bank interest income which amounted to approximately MOP2.6 million. For the six months ended 30 June 2024, the other income of approximately MOP6.7 million mainly consisted of the bank interest income and insurance claim. The decrease was mainly attributable to the decrease in insurance claim.

Other gains and losses

For the six months ended 30 June 2025, the other gains of approximately MOP0.9 million mainly consisted of net exchange gains and the gains from the fair value change of the financial asset at FVTPL. For the six months ended 30 June 2024, the other losses of approximately MOP1.0 million mainly consisted of net exchange losses and the losses from the fair value change of the financial asset at FVTPL.

Impairment losses under expected credit loss model, net of reversal

The impairment losses mainly consisted of impairment losses on trade receivables, other receivables and contract assets. It was decreased by approximately MOP2.0 million or 159.5% in view of the settlement of some long-aged receivables during the Review Period.

Administrative expenses

Administrative expenses remained flat for the six months ended 30 June 2025 which was approximately MOP13.5 million as compared with the corresponding period last year, primarily due to the growth in new business areas was balanced by the wind-down of certain non-core activities.

Profit for the period

The profit for the six months ended 30 June 2025 was approximately MOP0.5 million which decreased of approximately MOP2.0 million as compared to the six months ended 30 June 2024. Such change was mainly due to the combined effect of the aforementioned items.

Dividend

No dividend was paid, declared or proposed during the six months ended 30 June 2025. The directors of the Company have not recommended the payment of an interim dividend for both interim periods.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and financial resources

The Group's capital expenditure and daily operations during the six months ended 30 June 2025 were mainly funded by cash generated from its operations.

The total cash and bank balances together with the pledged bank deposits as at 30 June 2025 was approximately MOP146 million, compared to approximately MOP117 million as at 31 December 2024. The increase of approximately MOP29 million was mainly related to the operating cash inflow.

Our gearing ratio (calculated as debt over total equity) as at 30 June 2025 was 5.2% (31 December 2024: 9.2%) which was mainly attributable to the decrease in bank overdraft by approximately MOP7.8 million.

As at 30 June 2025, the Group had unutilised banking facilities of approximately MOP154.7 million (31 December 2024: MOP157.2 million).

The current ratio of our Group as at 30 June 2025 was 1.9 times (31 December 2024: 2.0 times).

Capital structure

The capital structure of the Group consists of equity attributable to the owners of the Company comprising issued share capital, share premium, legal reserve, share-based payments reserve, exchange reserve, other reserve and retained earnings. There has been no change in the capital structure of the Group during the six months ended 30 June 2025.

Future plans for material investments and capital assets

Save as disclosed in the prospectus of the Company dated 27 August 2018 and in this announcement, the Group did not have other plans for material investments or capital assets.

Pledge of assets

As at 30 June 2025, the Group's office premise of approximately MOP34.4 million (31 December 2024: MOP35.1 million) and certain bank deposits of approximately MOP72.3 million (31 December 2024: MOP72.1 million) were pledged with banks to secure the banking facilities including performance guarantees and bid bonds issued by the banks.

Capital commitment

As at 30 June 2025, the Group has an obligation to settle an amount of Renminbi (“**RMB**”) 38.0 million (equivalent to approximately MOP42.9 million) as a capital contribution to Jiangmen Jinying Construction and Engineering Company Limited (31 December 2024: RMB39.0 million (equivalent to approximately MOP42.7 million)).

Significant investments, acquisition and disposals

As of March 2025, the Group has completed the acquisition of a company incorporated in Hong Kong with limited liability which possesses the SFC Type 4 (advising on securities) & Type 9 (asset management) licenses, which is expected to help the Group to further diversify and expand its business portfolio. By venturing into the financial services industry of Hong Kong, the Group will tap into new revenue streams. Please refer to the announcements dated 14 March 2024 for details of the transaction.

Save as the above, during the six months ended 30 June 2025, the Group did not have any significant investment, acquisition and disposal.

Exposure to exchange rate fluctuation

The Group entities collect most of its revenue and incur most of its expenditures in their respective functional currencies. The Group is exposed to currency risks primarily through purchase of raw materials, sale proceeds received from its customers, and investments in other financial assets that are denominated in a currency other than the Group's functional currency. The currencies giving rise to this risk are primarily HK\$, RMB and United States dollars. The Group currently does not have a foreign currency hedging policy. However, the management regularly monitors the relevant foreign currency exposure and will consider taking appropriate measures to control the risk arising from significant exchange fluctuations.

Employee and remuneration policies

As at 30 June 2025, the Group had 232 (31 December 2024: 159) full time employees. The increase in the number of employees was mainly due to the increasing needs of resources to support the newly awarded fitting out works projects in the Macau market. The Group adjusted the number of direct labour based on the progress and expected workload of our construction works and the expected completion dates of work projects.

The remuneration package offered to employees includes salary and other employee benefits such as bonus. In general, the Group determines the salaries of its employees based on their individual performance, qualifications, position and seniority. The Group conducts annual salary and promotion review in order to attract and retain employees. In addition, the Group provides various types of training to its employees to promote overall efficiency, employee loyalty and retention. Total staff costs for the period ended 30 June 2025 were approximately MOP14.5 million (30 June 2024: MOP8.8 million).

Compliance with laws and regulations

The Group mainly carries out its business in Macau, Hong Kong and the PRC. To the best of the Directors' knowledge, the Group has complied with all relevant laws and regulations in Macau, Hong Kong and the PRC during the six months ended 30 June 2025.

Principal risk and uncertainties

The Group believes that the risk management practices are important and use its best effort to ensure it is sufficient to mitigate the risks present in our operations and financial position as efficiently and effectively as possible.

- Material changes in the cost of construction materials and labour costs may result in cost overrun, which could materially affect our results of operation and financial performance;
- Mismanagement or delay of our projects will materially affect our reputation and also our financial performance as penalties and/or additional costs may be incurred;
- Cash flow of our projects may fluctuate;
- We rely on subcontractors to help complete our projects. Underperformance by our subcontractors or unavailability of subcontractors may adversely affect our operations, profitability and reputation;
- Our success significantly depends on the key management and our ability to attract and retain technical and management staff; and
- The uncertainties on the worldwide economy due to the tension between the PRC, the United States and the European Union.

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event regarding the disclosure that has taken place subsequent to 30 June 2025 and up to the date of this announcement.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company has applied the principles and the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange as its own code of corporate governance. During the six months ended 30 June 2025, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”), as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiries of all directors, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Company established an audit committee on 17 August 2018 in compliance with Rule 3.21 of the Listing Rules. Written terms of reference in compliance with paragraph D.3.3 of the CG Code has been adopted and are available on the websites of the Stock Exchange and the Company. The primary roles of the audit committee include, but are not limited to, (a) making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; (b) monitoring integrity of the financial statements and reviewing significant financial reporting judgements contained in them; and (c) reviewing financial controls, internal control and risk management systems. The audit committee consists of three independent non-executive directors, namely Mr. O’Yang Wiley, Mr. Chu Yat Pang Terry and Mr. Choy Wai Shek, Raymond, *MH, JP*. Mr. O’Yang Wiley is the chairman of the audit committee.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have been reviewed by the audit committee and the Group’s auditor, Baker Tilly Hong Kong Limited.